

## Tequila Regulatory Council

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Chief Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, Attn: Notice No. 41,

Re: <u>Comments submitted by the Tequila Regulatory Council</u>
relating to TTB's Advance Notice of Proposed Rulemaking No. 41

In response to TTB's request for public comments on possible changes to the labeling and advertising requirements of alcohol beverage products regulated by this agency, the Tequila Regulatory Council (Consejo Regulador del Tequila or CRT) submits the following comments and petitions the TTB to amend its labeling requirements as explained below.

The Tequila Regulatory Council (Consejo Regulador del Tequila, CRT) is the only private organization approved by the Mexican government to certify the industry's compliance with the mandatory technical regulations (Standards) applicable to Tequila. The compliance with the Standards is ensured by constant inspection of manufacturing facilities and the issuance of certificates of authenticity that, along with labeling requirements, allow the Council to trace the product back to its source. The CRT's main goal is to ensure the integrity and authenticity of Tequila to the consumer.

The CRT applauds TTB's concern to have regulations that provide more specific information to the consumer on the identity and quality of alcohol products through the requirement of particular information to be present in the product's labels.

Accordingly, the CRT has the following comments.

1. The CRT believes that nutrition labeling (calories, fat, carbohydrates, and proteins) as well as a list of all ingredients used to make alcohol beverage products are valuable tools for the consumer to make informed choices and should be permitted on a voluntary basis.



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- 2. The CRT believes that an Alcohol Facts label would also be an excellent tool for the consumer to make informed decisions on how to consume alcohol in moderation and should be permitted by TTB on a voluntary basis.
- **3.** The CRT believes that any new labeling requirements should apply equally to advertisements.
- 4. There are modifications TTB could further evaluate in order to harmonize its current requirements regarding alcohol beverage labels with those of other major producing nations, such as Mexico.

Due to the protection and status of geographical indication since 1974, Tequila is a distilled spirit that may only be produced in Mexico, according to the Mexican laws and regulations. The United States has recognized the status of Tequila as a distinctive product of Mexico in the North American Free Trade Agreement and, accordingly, TTB has incorporated to its regulations particular provisions applicable to Tequila, such as the creation of a specific standard of identity for the spirit.

However, the CRT believes that TTB could do some more in order to achieve the Federal Alcohol Administration Act and its implementing regulations' purpose of providing the consumer with adequate information as to the identity and quality of the products as well as the manufacturer or bottler or importer of the product.

In Mexico, for the particular case of Tequila, the requirement of specific labeling information has been a key element to set up a "traceability" system. That is, according to data displayed on the label and bottle's surface, the CRT has been able to trace the origin of a particular batch of Tequila to its origin with



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the help of a GC test that allow it to compare the bottle's profile with the one kept on file at the CRT and determine whether the product has been tampered with or not.

Unfortunately, this traceability system is interrupted when the product is bottled in the USA because the TTB does not require some of the necessary information to trace the product to appear in the labels, particularly, the name of the Tequila producer and his NOM number.

There is also another important piece of information that is extremely useful to trace the origin and establish the integrity of Tequila. That is the producer's batch number, which may be marked or engraved in any part of the bottle.

The CRT believes that if TTB requested the US bottlers of Tequila to include in their labels the name of the Mexican Tequila manufacturer and its NOM number, as well as the manufacturer's batch number to be engraved in any part of the bottle, the work of ensuring the integrity and authenticity of Tequila to the American consumer would be significantly simplified.

Therefore, the CRT respectfully petitions the TTB to amend its current labeling regulations in order to require bottlers of Tequila in the USA to display in their labels the name of the Mexican manufacturer of Tequila, the NOM number assigned to the manufacturer and, in any part of the bottle, the ID number corresponding to the specific batch of Tequila used in that particular bottle. A viable alternative to mandatory requirement of this information would be providing a web site or telephone number where any interested party could obtain such information about the product.

Respectfully submitted on behalf of the Tequila Regulatory Council, Judith Meza-Nixon Representative for the USA and Canada Tequila Regulatory Council